

Subsec. (b)(2)(G). Pub. L. 103–87 added subpar. (G).

1990—Pub. L. 101–508, §13101(a), amended section generally, substituting subsecs. (a) and (b) relating to enforcement of discretionary spending limits for former subsecs. (a) to (e) relating to reporting of excess deficits.

Subsec. (a)(6)(I). Pub. L. 101–508, §13101(e)(2), redesignated subsec. (a)(6)(I) of this section as section 907(e) of this title.

1987—Pub. L. 100–119 amended section generally, substituting provisions consisting of subsecs. (a) to (e) relating to reports by Director of CBO to Director of OMB and to Congress and by Director of OMB to President and Congress for provisions consisting of subsecs. (a) to (g) relating to joint reports by Directors of CBO and OMB to Comptroller General and report by Comptroller General to President and Congress.

Subsec. (a)(6)(B). Pub. L. 100–203, §8003(f), struck out “and” before “contract authority” and inserted provision whereby the authority to provide insurance through the Federal Housing Administration Fund be continued.

EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–89 effective Nov. 19, 1997, except as otherwise provided, with delay permitted if State legislation is required, see section 501 of Pub. L. 105–89, set out as a note under section 622 of Title 42, The Public Health and Welfare.

EFFECTIVE DATE OF 1994 AMENDMENT

Section 119(d)(1) of Pub. L. 103–354 provided that the amendment made by that section is effective Jan. 1, 1995.

ADJUSTMENT FOR ROUNDING

Pub. L. 106–429, §101(a) [title VII, §701(c)], Nov. 6, 2000, 114 Stat. 1900, 1900A–64, provided for adjustments for rounding.

Pub. L. 106–113, div. B, §1000(a)(5) [title III, §307], Nov. 29, 1999, 113 Stat. 1536, 1501A–306, provided for adjustments for rounding.

OFFSETTING ADJUSTMENT IN DISCRETIONARY SPENDING LIMITS

Pub. L. 105–178, title VIII, §8101(b), June 9, 1998, 112 Stat. 489, as amended by Pub. L. 105–206, title IX, §9013(a), July 22, 1998, 112 Stat. 865, provided adjustments of nondefense category for fiscal year 1999, discretionary category for fiscal year 2000, and discretionary spending limits for fiscal years 2001 and 2002.

LEVEL OF OBLIGATION LIMITATIONS

Pub. L. 109–59, title VIII, §8003, Aug. 10, 2005, 119 Stat. 1917, as amended by Pub. L. 111–147, title IV, §446(a), (b), Mar. 18, 2010, 124 Stat. 95, 96; Pub. L. 111–322, title II, §2308, Dec. 22, 2010, 124 Stat. 3530; Pub. L. 112–5, title III, §308, Mar. 4, 2011, 125 Stat. 21, provided that:

“(a) HIGHWAY CATEGORY.—For the purposes of [former] section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [former 2 U.S.C. 901(b)], the level of obligation limitations for the highway category is—

- “(1) for fiscal year 2005, \$35,164,292,000;
- “(2) for fiscal year 2006, \$37,220,843,903;
- “(3) for fiscal year 2007, \$39,460,710,516;
- “(4) for fiscal year 2008, \$40,824,075,404;
- “(5) for fiscal year 2009, \$42,469,970,178;
- “(6) for fiscal year 2010, \$42,469,970,178; and
- “(7) for fiscal year 2011, \$42,469,970,178.

“(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

- “(1) for fiscal year 2005, \$7,646,336,000;
- “(2) for fiscal year 2006, \$8,622,931,000;
- “(3) for fiscal year 2007, \$8,974,775,000;
- “(4) for fiscal year 2008, \$9,730,893,000;
- “(5) for fiscal year 2009, \$10,338,065,000;

“(6) for fiscal year 2010, \$10,338,065,000; and

“(7) for fiscal year 2011, \$10,338,065,000.

For purposes of this subsection, the term ‘obligation limitations’ means the sum of budget authority and obligation limitations.”

Similar provisions for prior fiscal years were contained in the following prior act:

Pub. L. 105–178, title VIII, §8103, June 9, 1998, 112 Stat. 492, as amended by Pub. L. 108–88, §11(a), (b), Sept. 30, 2003, 117 Stat. 1128; Pub. L. 108–310, §11(a), (b), Sept. 30, 2004, 118 Stat. 1161.

§ 901a. Enforcement of budget goal

Unless a joint committee bill achieving an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted by January 15, 2012, the discretionary spending limits listed in section 901(c) of this title shall be revised, and discretionary appropriations and direct spending shall be reduced, as follows:

(1) Revised security category; revised nonsecurity category

(A) The term “revised security category” means discretionary appropriations in budget function 050.

(B) The term “revised nonsecurity category” means discretionary appropriations other than in budget function 050.

(2) Revised discretionary spending limits

The discretionary spending limits for fiscal years 2013 through 2021 under section 901(c) of this title shall be replaced with the following:

(A) For fiscal year 2013—

- (i) for the security category, \$546,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$501,000,000,000 in budget authority.

(B) For fiscal year 2014—

- (i) for the security category, \$556,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$510,000,000,000 in budget authority.

(C) For fiscal year 2015—

- (i) for the security category, \$566,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$520,000,000,000 in budget authority.

(D) For fiscal year 2016—

- (i) for the security category, \$577,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$530,000,000,000 in budget authority.

(E) For fiscal year 2017—

- (i) for the security category, \$590,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$541,000,000,000 in budget authority.

(F) For fiscal year 2018—

- (i) for the security category, \$603,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$553,000,000,000 in budget authority.

(G) For fiscal year 2019—

- (i) for the security category, \$616,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$566,000,000,000 in budget authority.

(H) For fiscal year 2020—

- (i) for the security category, \$630,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$578,000,000,000 in budget authority.

(I) For fiscal year 2021—

- (i) for the security category, \$644,000,000,000 in budget authority; and
- (ii) for the nonsecurity category, \$590,000,000,000 in budget authority.

(3) Calculation of total deficit reduction

OMB shall calculate the amount of the deficit reduction required by this section for each of fiscal years 2013 through 2021 by—

(A) starting with \$1,200,000,000,000;

(B) subtracting the amount of deficit reduction achieved by the enactment of a joint committee bill, as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011;

(C) reducing the difference by 18 percent to account for debt service; and

(D) dividing the result by 9.

(4) Allocation to functions

On January 2, 2013, for fiscal year 2013, and in its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title, OMB shall allocate half of the total reduction calculated pursuant to paragraph (3) for that year to discretionary appropriations and direct spending accounts within function 050 (defense function) and half to accounts in all other functions (nondefense functions).

(5) Defense function reduction

OMB shall calculate the reductions to discretionary appropriations and direct spending for each of fiscal years 2013 through 2021 for defense function spending as follows:

(A) Discretionary

OMB shall calculate the reduction to discretionary appropriations by—

(i) taking the total reduction for the defense function allocated for that year under paragraph (4);

(ii) multiplying by the discretionary spending limit for the revised security category for that year; and

(iii) dividing by the sum of the discretionary spending limit for the security category and OMB's baseline estimate of nonexempt outlays for direct spending programs within the defense function for that year.

(B) Direct spending

OMB shall calculate the reduction to direct spending by taking the total reduction for the defense function required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(6) Nondefense function reduction

OMB shall calculate the reduction to discretionary appropriations and to direct spending for each of fiscal years 2013 through 2021 for programs in nondefense functions as follows:

(A) Discretionary

OMB shall calculate the reduction to discretionary appropriations by—

(i) taking the total reduction for nondefense functions allocated for that year under paragraph (4);

(ii) multiplying by the discretionary spending limit for the revised nonsecurity category for that year; and

(iii) dividing by the sum of the discretionary spending limit for the revised nonsecurity category and OMB's baseline estimate of nonexempt outlays for direct spending programs in nondefense functions for that year.

(B) Direct spending

OMB shall calculate the reduction to direct spending programs by taking the total reduction for nondefense functions required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

(7) Implementing discretionary reductions

(A) Fiscal year 2013

On January 2, 2013, for fiscal year 2013, OMB shall calculate and the President shall order a sequestration, effective upon issuance and under the procedures set forth in section 903(f) of this title, to reduce each account within the security category or nonsecurity category by a dollar amount calculated by multiplying the baseline level of budgetary resources in that account at that time by a uniform percentage necessary to achieve—

(i) for the revised security category, an amount equal to the defense function discretionary reduction calculated pursuant to paragraph (5); and

(ii) for the revised nonsecurity category, an amount equal to the nondefense function discretionary reduction calculated pursuant to paragraph (6).

(B) Fiscal years 2014–2021

On the date of the submission of its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title for each of fiscal years 2014 through 2021, OMB shall reduce the discretionary spending limit—

(i) for the revised security category by the amount of the defense function discretionary reduction calculated pursuant to paragraph (5); and

(ii) for the revised nonsecurity category by the amount of the nondefense function discretionary reduction calculated pursuant to paragraph (6).

(8) Implementing direct spending reductions

On the date specified in paragraph (4) during each applicable year, OMB shall prepare and the President shall order a sequestration, effective upon issuance, of nonexempt direct spending to achieve the direct spending reduction calculated pursuant to paragraphs (5) and (6). When implementing the sequestration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in section 935 of this title, the exemptions specified in section 905 of this title, and the special rules specified in section 906 of this title, ex-

cept that the percentage reduction for the Medicare programs specified in section 906(d) of this title shall not be more than 2 percent for a fiscal year.

(9) Adjustment for Medicare

If the percentage reduction for the Medicare programs would exceed 2 percent for a fiscal year in the absence of paragraph (8), OMB shall increase the reduction for all other discretionary appropriations and direct spending under paragraph (6) by a uniform percentage to a level sufficient to achieve the reduction required by paragraph (6) in the non-defense function.

(10) Implementation of reductions

Any reductions imposed under this section shall be implemented in accordance with section 906(k) of this title.

(11) Report

On the dates specified in paragraph (4), OMB shall submit a report to Congress containing information about the calculations required under this section, the adjusted discretionary spending limits, a listing of the reductions required for each nonexempt direct spending account, and any other data and explanations that enhance public understanding of this title and actions taken under it.

(Pub. L. 99-177, title II, §251A, as added Pub. L. 112-25, title III, §302(a), Aug. 2, 2011, 125 Stat. 256.)

REFERENCES IN TEXT

Section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011, referred to in text, is section 401(b)(3)(B)(i)(II) of title IV of Pub. L. 112-25, which is set out in a note under section 900 of this title.

PRIOR PROVISIONS

A prior section 901a, Pub. L. 99-177, title II, §251A, as added Pub. L. 103-322, title XXXI, §310001(g)(1), Sept. 13, 1994, 108 Stat. 2104, related to sequestration with respect to Violent Crime Reduction Trust Fund, prior to repeal by Pub. L. 105-33, title X, §10204(a)(1), Aug. 5, 1997, 111 Stat. 702.

§ 902. Enforcing pay-as-you-go

(a) Purpose

The purpose of this section is to assure that any legislation enacted before October 1, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

(b) Sequestration

(1) Timing

Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 901 or 903 of this title, there shall be a sequestration to offset the amount of any net deficit increase caused by all direct spending and receipts legislation enacted before October 1, 2002, as calculated under paragraph (2).

(2) Calculation of deficit increase

OMB shall calculate the amount of deficit increase or decrease by adding—

(A) all OMB estimates for the budget year of direct spending and receipts legislation

transmitted under subsection (d) of this section;

(B) the estimated amount of savings in direct spending programs applicable to budget year resulting from the prior year's sequestration under this section or section 903 of this title, if any, as published in OMB's final sequestration report for that prior year; and

(C) any net deficit increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending and receipts legislation transmitted under subsection (d) of this section that were not reflected in the final OMB sequestration report for the current year.

(c) Eliminating a deficit increase

(1) The amount required to be sequestered in a fiscal year under subsection (b) of this section shall be obtained from non-exempt direct spending accounts from actions taken in the following order:

(A) First

All reductions in automatic spending increases specified in section 906(a)¹ of this title shall be made.

(B) Second

If additional reductions in direct spending accounts are required to be made, the maximum reductions permissible under sections 906(b) of this title (guaranteed and direct student loans) and 906(c)¹ of this title (foster care and adoption assistance) shall be made.

(C) Third

(i) If additional reductions in direct spending accounts are required to be made, each remaining non-exempt direct spending account shall be reduced by the uniform percentage necessary to make the reductions in direct spending required by paragraph (1); except that the Medicare programs specified in section 906(d) of this title shall not be reduced by more than 4 percent and the uniform percentage applicable to all other direct spending programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the required reduction in direct spending.

(ii) For purposes of determining reductions under clause (i), outlay reductions (as a result of sequestration of Commodity Credit Corporation commodity price support contracts in the fiscal year of a sequestration) that would occur in the following fiscal year shall be credited as outlay reductions in the fiscal year of the sequestration.

(2) For purposes of this subsection, accounts shall be assumed to be at the level in the baseline.

(d) Estimates

(1) CBO estimates

As soon as practicable after Congress completes action on any direct spending or receipts legislation, CBO shall provide an estimate to OMB of that legislation.

(2) OMB estimates

Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after

¹ See References in Text note below.